Monday, March 17, 2025

HALLGARTEN + COMPANY

Initiation of Coverage

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Summa Silver

(TSX-V: SSVR | FSE: 48X I OTCQX: SSVRF)

Strategy: LONG

Key Metrics	
Price (CAD)	$0.385
12-Month Target Price (CAD)	$0.84
Upside to Target	118%
12mth high-low	$0.255 to $0.62
Market Cap (CAD mn)	$46.81
Shares Outstanding (mns)	121.6
Fully diluted	149.9

Summa Silver

Reviving Two Historic Silver Districts

- \+ Summa has corralled two highly prospective (and historically productive) Silver mining assets in Nevada and New Mexico
- \+ Recent maiden Mineral Resource Estimates on both properties appeared simultaneously and laid the ground for resource expansion with more drilling
- \+ The Hughes property has Blackrock Silver as a contiguous neighbour raising the possibility of some sort of combination of forces in the storied Tonopah district
- \+ The Silver price, after a few months of quiescence, has gained a second wind reaching above $32 on international tensions and economic events
- \+ The universe of Silver explorers, developers and producers have moved into a much higher profile in the mining space over the last two years
- \+ A successful financing in the last months of 2024 positioned Summa with the financial resources for its immediate exploration plans
- × Silver´s price rise has been driven by global tensions and disruptions/distortions, with any normalization potentially threatening a move to the downside
- × The financing environment has been tough in the junior explorer space in the last two years, with investors being most well-disposed to fund projects with a perspective to production

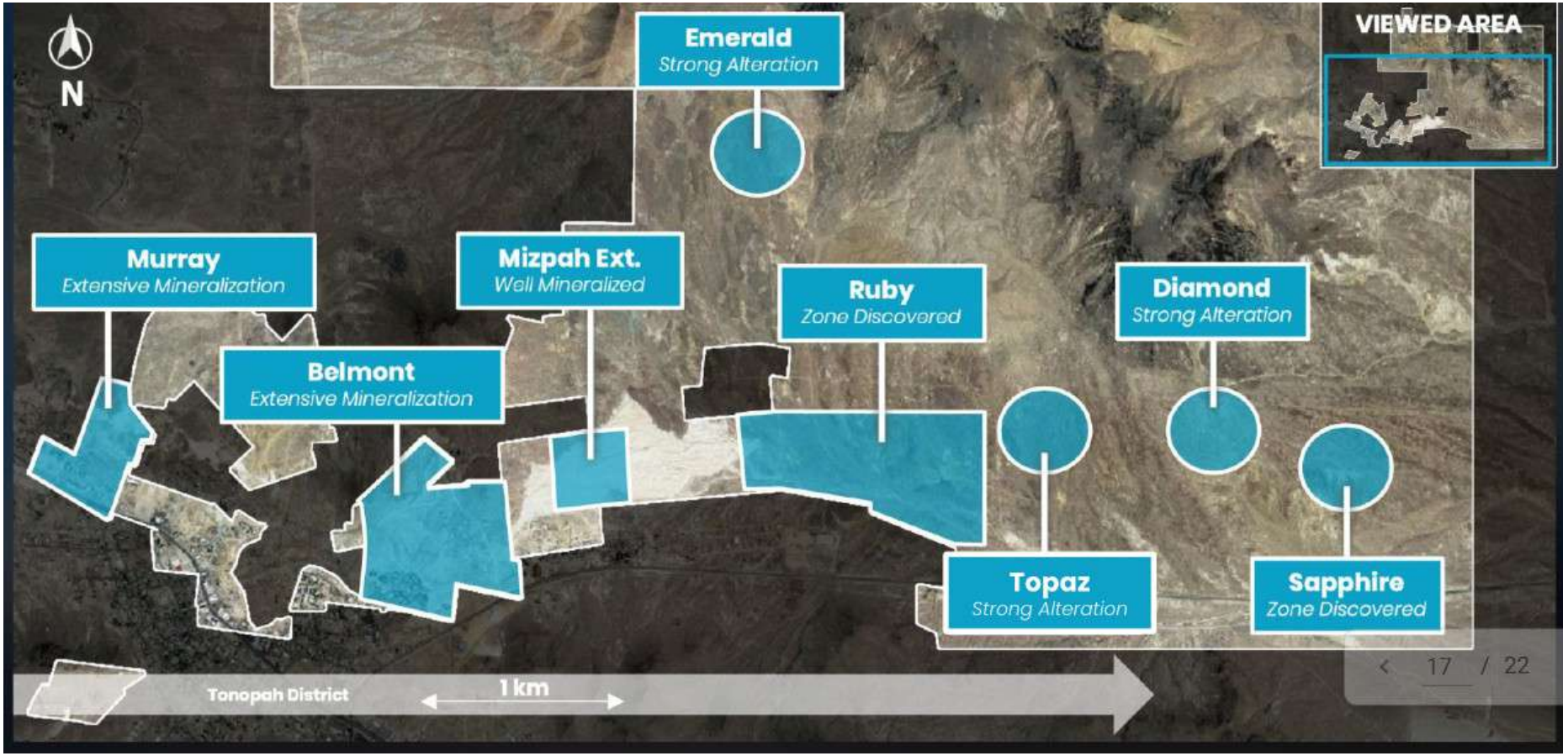
Diversified across the Southwest of the USA

It may be a truism that a tide lifts all boats, but it is certainly true at the moment that investors' positive disposition towards gold and silver has spilled over from producers/developers into junior explorers.

Summa Silver Corp is a junior mineral exploration company that owns 100% interests in the Hughes project located within the storied Walker Lane in central Nevada, and 100% of the Mogollon project located in southwestern New Mexico.

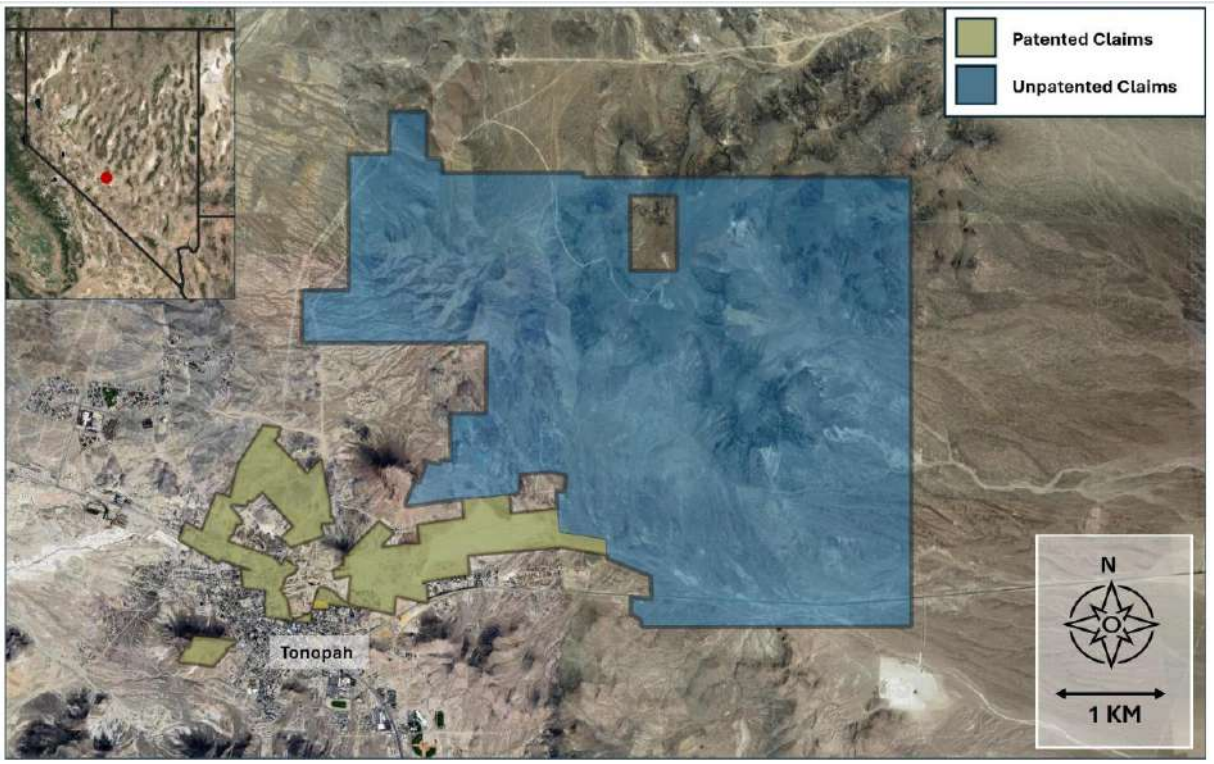
The Walker Lane encompasses many famous historic mining districts in Nevada and California, such as Aurora, Bodie, Bullfrog, Beatty, Goldfield, Rawhide and the Comstock Lode. The high-grade past-producing Belmont Mine, one of the most prolific silver producers in the United States between 1903 and 1929, is located on the Hughes project. Meanwhile, the Mogollon project is the largest historic silver producer in New Mexico. Both projects have remained inactive since commercial production ceased and neither have seen modern exploration prior to Summa Silver's involvement.

In this Initiation of Coverage, we shall review the projects that Summa Silver is advancing, next steps with exploration and resources and the implications of having Blackrock Silver as an up-close neighbour in Nevada.


N
Emerald
Strong Alteration
VIEWED AREA
Murray
Extensive Mineralization
Mizpah Ext.
Well Mineralized
Ruby
Zone Discovered
Diamond
Strong Alteration
Belmont
Extensive Mineralization
Topaz
Strong Alteration
Sapphire
Zone Discovered
Tonopah District
1 km
17 / 22

The Hughes Project

The Hughes Project is evocatively named after the eccentric and reclusive billionaire, Howard Hughes, that once was advancing the project. It is near Tonopah, Nevada, and is centered on the eastern extension of historic Tonopah Mining district, covering a ~6.5 km east-west trend of epithermal-related, high-grade silver-gold targets. The property comprises 57 patented mining claims and 246 unpatented mineral claims, covering a total of roughly 5,504 acres (with the actual area slightly less due to intentional claim overlaps).



Central to the Hughes Project is the past-producing Belmont Mine, which exploited a series of stacked, moderately to steeply dipping, southwest-northeast oriented high-grade veins.

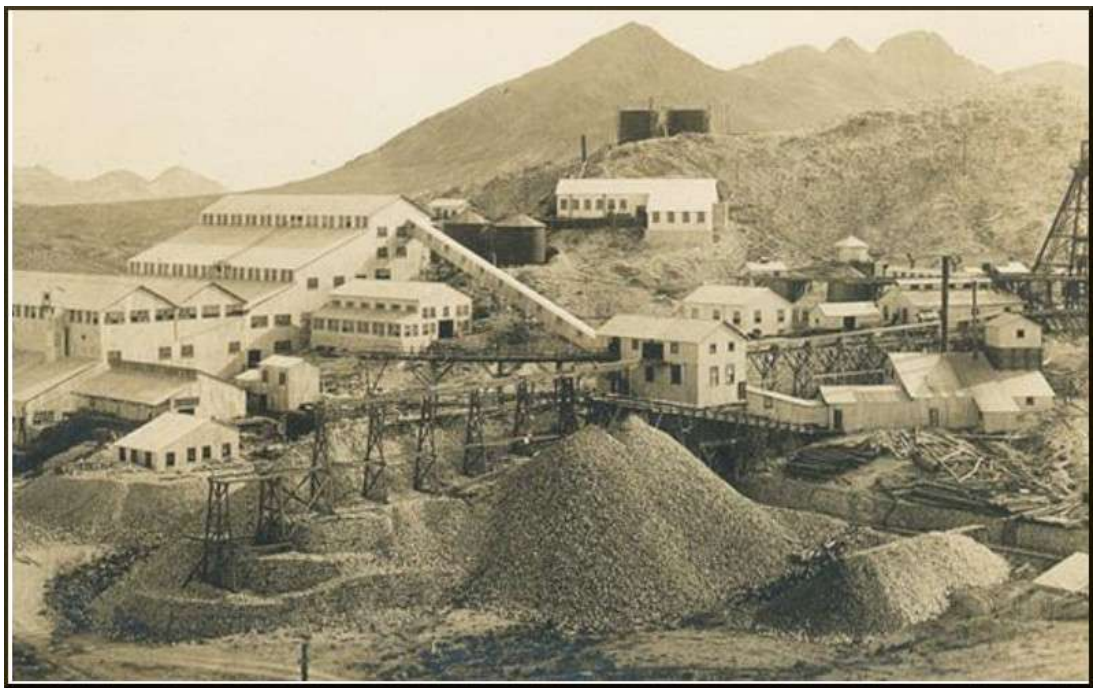
History

The Hughes property is in the heart of the Tonopah Mining District, one of the largest silver and gold producing districts in Nevada. Production came from numerous mines on dozens of individual epithermal quartz vein segments, with many of the veins cut off by post-mineral faulting.

Known as the Queen of the Silver Camps, the Tonopah Silver District, making it the second largest historic silver district within the “Silver State” of Nevada behind the Comstock Lode. Historic production from 1902-1961 totaled 174 million ounces of silver and 1.86 million ounces of gold from 8,800,000 short tons of ore at calculated average grades of 7.54 g/t gold and 679 g/t silver.

The Belmont Mine on the Hughes Property was one of the largest historical operations in Tonopah, with a reported production of 428,596 ounces of gold and 36,717,164 ounces of silver from 2,073,653 short tons of ore from 1903-1929 (Kleinhampl and Ziony, 1984), making it one of the largest producing gold-silver mines in the US at the time.

Other mines located on the property are the Mizpah Extension and Murray Mines, and the claims surround the surface facilities of the Mizpah Mine, which was deeded out of the original set of patented claims to the Town for the Tonopah Historic Mining Park.



Numerous mine shafts, waste dumps and mill tailing piles remain on the surface within and around the town of Tonopah. The Hughes claim block surrounds the Tonopah Mining Park, a historical museum in downtown Tonopah centered around the main shaft and surface buildings of the Mizpah Mine.

After the end of historic mining operations in the early 1960s, the bulk of the patented claims in the Tonopah District were purchased by the Hughes Corporation. In the early 1970s the Tools division of the Hughes Corp was sold off, and the mineral assets were consolidated under Summa Corp. Starting in the late 1970s, a succession of companies entered into exploration lease agreements on the property, including Houston Oil and Minerals, Tenneco, Echo Bay and Santa Fe Pacific Mining.

Summa enters Hughes

The company holds 100% ownership of the Hughes Property through full exercise of an option agreement with Summa, LLC, signed in 2020. Summa Silver accelerated the option agreement in October 2021, with payments totaling US$275,000 and 364,209 common shares of the company.

The unpatented claims on the Hughes Property are subject to a 1% net smelter royalty (NSR) payable to Summa, LLC, of which 0.5% can be bought back for payments totaling US$4mn, and Kinross Gold Corp (as successor to Echo Bay Minerals) holds a 2% NSR over the patented claims at Hughes, with no current provisions for buy-back.

Regional Geology

The Tonopah region is in the western end of the Basin and Range physiographic province, characterized by north-northeast elongate mountain ranges separated by flat, elongate valley floors, resulting from extreme crustal extension along curving normal faults. This province runs east to west from the Wasatch Mountains in Utah to the Sierra Nevada Mountains in California, and north to south from central Idaho to northern Mexico. Tonopah is in the Walker Lane geologic region, a northwest-aligned belt of rotated and laterally-offset crustal blocks running roughly parallel to the California-Nevada border from near Las Vegas in the south to Virginia City in the north.

Many famous historic mining districts in Nevada and California are located within the Walker Lane, where the silver-gold deposits in epithermal quartz veins are hosted in volcanic rocks of a similar ~15 to 25- million-year age, and felsic-intermediate composition to those found at Tonopah.

West-central Nevada is underlain by a sequence of rhyolitic to andesitic lava flows and hypabyssal intrusions, regionally interbedded with welded tuff ejected from numerous calderas to the east and northeast of Tonopah. The volcanic package underlying and exposed at Tonopah has been age-dated from 24.3-16.5 million years old (ma), placing the deposition in the late Oligocene and Miocene periods.

The Ordovician Palmetto formation of compact argillites is the regional basement rock and crops out underneath volcanic cover in the San Antonio Mountain to the northeast, so can reasonably be expected to underly the property at depth.

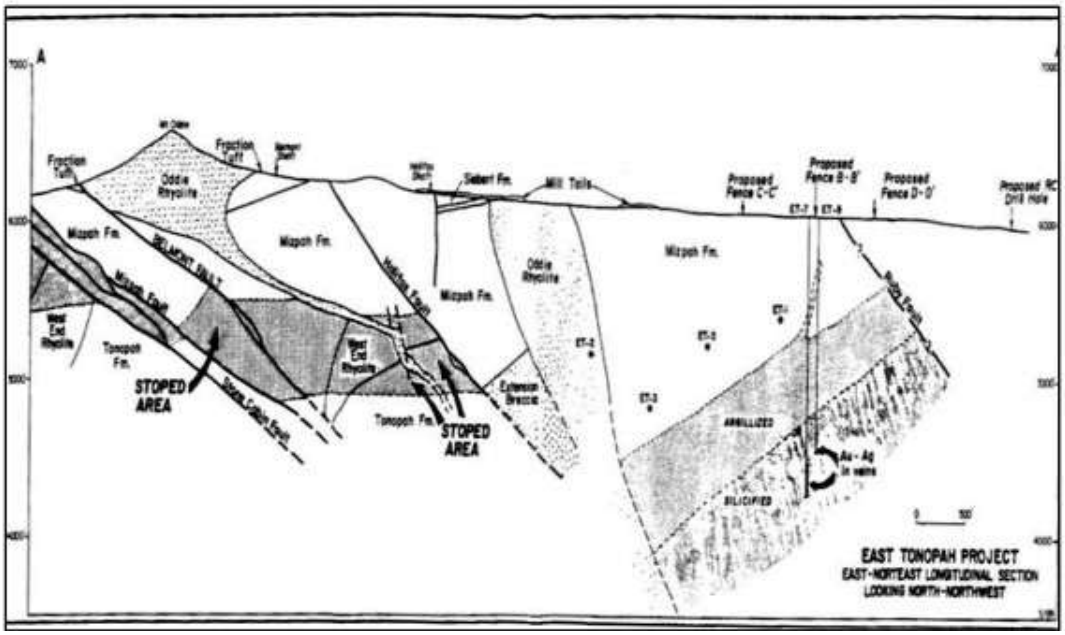
Property Geology

The silver-gold deposits historically mined in the Tonopah District were entirely hosted by intermediate-sulfidation, epithermal quartz-carbonate veins. These veins were emplaced at shallow crustal depths along faults and fractures where hydrothermal fluids replaced volcanic wallrock with quartz, adularia, calcite, sericite, barite, albite and other trace gangue minerals. Mineralization within the veins includes pyrite, chalcopyrite, sphalerite, galena, argentite, pyrargyrite, electrum and native gold.

Some vugs and open-space filling textures are evident in the veins, but they are largely of replacement origin and lack the fine banding of classic, open-space filling low-sulfidation vein systems, such as those found at the Midas Mine outside of Winnemucca, NV.

Productive portions of veins of the Tonopah District range from 0.5-50 feet in thickness and were followed for up to 1,200 feet along strike and down-dip in historic mines. Mineralization is relatively consistent along these vein portions, with higher grades and thicker veining at intersections with cross-structures as in many other epithermal vein districts.

Many productive veins were fully mined up to offsetting faults, indicating that the true horizontal extent of the vein systems is currently undefined, but is likely significantly greater than the 1,200 feet of strike length seen in underground workings. The 1,200 ft vertical extent of mineralization seen in the Belmont Mine is in the typical "productive" elevation range for epithermal Au-Ag bearing quartz vein systems and is thought to represent the full vertical extent of the Tonopah Au-Ag mineralizing system.



Source: Sander (1988)

Above can be seen a cross-section through the Hughes property looking N-NW showing the geology and earlier drill holes. The Belmont fault can be seen over to the left of the section.

Historic Exploration

During the Hughes period of ownership, much of the work done on the property was to assess the metal values still contained in the waste dumps and mill tailings, and to evaluate recovery options for these surface dumps. Various mining and processing scenarios were proposed for some or all of the tailings and mine dumps during the 1960s and 70s, but none of that work is available for review by a qualified person, and so these studies are mentioned for historical context only.

In 1989, Echo Bay drilled 15 reverse-circulation (RC) holes under a mineralized quartz vein outcrop and beneath the tailings of the historic Belmont Mill in the eastern part of the claim block, re-entering and wedging off and deepening two of the holes with core tails. The best reported results from the RC drilling were 0.153 opt Au and 13.52 opt Ag from 1720-1725 ft in hole ET-7-89. This hole was wedged off at 1,491 ft and twinned with core drilling, confirming the RC results with a three-foot quartz vein intercept from 1680-1683 ft assaying 8.2 g/t Au and 889.7 g/t Ag..

Santa Fe Pacific Mining optioned the property from 1991-1992 and drilled one core hole to the east and underneath hole ET-7-89 to a depth of 2,977.6 ft. This hole intercepted four zones of alteration and veining, with limited assay data showing values of 0.075-0.36 g/t Au in these zones.

Exploration by Summa

Drilling by Summa has targeted high-grade extensions of some of these veins and yielded intercepts highlighted by 522 g/t AgEq over 18.5 m (286 g/t Ag, 3.10 g/t Au; SUM20-06) and 3,912 g/t AgEq over 2.8 m (2,276 g/t Ag, 21.8 g/t Au; SUM21-30) at the Belmont target, 1,450 g/t AgEq over 3.0 m (813 g/t Ag, 8.41 g/t Au; SUM23-59) at the Ruby target, and 444 g/t AgEq over 6.1 m (253 g/t Ag, 2.53 g/t Au; SUM21-40) at the Murray target.

In total 33,743 m in 66 holes were drilled by the company at the main targets where mineralization remains open in numerous directions.

Royalties

There is a 2% NSR held by Kinross Gold Corp, as successor to Echo Bay Minerals, on the 57 patented claims on the property. There is no buy-back provision on this royalty.

Summa LLC was granted a 1% NSR royalty on the patented claims, and the Aviator and East Belmont unpatented claim groups. In addition to the claims, the option agreement extends the Summa LLC 1% NSR over an Area of Interest (AOI) covering any additional properties staked by Summa Silver within a five km radius of the boundaries of the Hughes property, which includes the TSR group of claims staked

in April and November of 2021. Summa Silver may repurchase a portion of this royalty by paying:

- US$1.5mn for 0.25% of the NSR
- US$2.5mn for a further 0.25% of the NSR

If the buy-back is executed in full, a final royalty payment would be due to Summa LLC of 0.5% on all of the unpatented and patented claims on the Hughes property. The patented claims also subject to the 2% Kinross NSR would have a final total royalty of 2.5% NSR following execution of the buy-back provision.

Infrastructure & Access

The entire property is readily accessible by existing roads and is nearly equidistant from two international airports and logistical supply hubs: 225 miles to the northwest in Reno, or 210 miles to the southeast in Las Vegas. The Hughes Claim block has generally level to moderately hilly terrain, with year-round access, and infrastructure for power and water supplies crossing the property or in direct proximity.

Hughes - Maiden MRE

In mid-January of 2025, the company reported inaugural mineral resource estimates (MRE) for the Hughes project which was prepared by Samuel Bourque, C.P.G. and Jeffrey Bickel, Senior Geologist of RESPEC Company LLC.

HUGHES RESOURCE

Project		Tonnes	Cut-off AgEq g/t	Au g/t	Ag g/t	AgEq g/t	Contained Au ozs	Contained Ag ozs	Contained AgEq ozs
Hughes In Situ	**Indicated**	959,000	190	1.59	188.4	333	49,000	5,813,000	10,261,000
	Inferred	2,429,000	190	2.41	203.7	421	188,000	15,906,000	32,907,000
Hughes Tailings	**Inferred**	1,264,000	45	0.26	44	68	11,000	1,787,000	2,744,000

The mineralized zones remain open to expansion and the project includes the mostly unexplored 4 km eastern extension of the Tonopah mining district which is reported to have produced 175mn oz of silver and 1.86mn oz of gold at 679 g/t Ag and 7.3 g/t Au, respectively, along its four km mined strike length.

Tailings

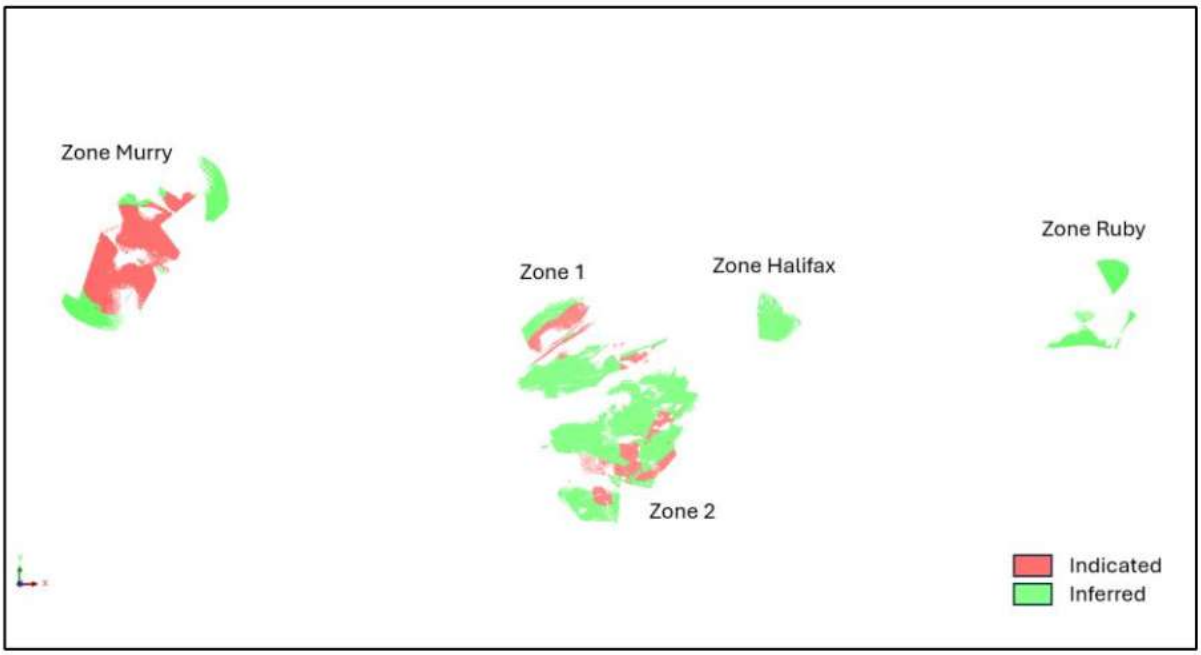
The tailings pile from the Belmont Mill has been investigated by prior operators on the Hughes property for potential heap-leaching of remaining Ag-Au values missed by early 1900's milling technology. Waste dumps and small ore stockpiles at other old mines on the property have also been historically sampled, with volumes calculated and basic metallurgical work done on larger dumps.

Upon acquisition of the property, Summa Silver began assessment of the Belmont Mill tailings pile, which covers an area of approximately 1,200 m by 280 m (~84 acres) and is entirely on Summa-owned patented claims. In 2019 and 2020, the company drilled 54 hand-auger holes across the extent of the tailings to test thickness and contained Ag-Au mineralization of the pile. These holes were drilled vertically on a rough grid with 50-90 m spacing, samples were collected at systematic intervals ranging from 0.25 to 1 m, and each hole was sampled from top to bottom. Holes were terminated at the bottom of the tailings pile as indicated by the presence of soil/bedrock.

As can be noted a small MRE was gleaned from this work but considering that the material comes with no mining cost, this could be low-hanging fruit, or at least initial material for a pilot mill with a rapid payback or useful for blending purposes.

Murray Zone

It is possibly useful to zero in on the Murray Zone with the Hughes MRE. While the bulk of Summa concession area is isolated from the Western limb on the concession by the Town of Tonopah, the limb (largely the Murray Zone) borders the Tonopah West project of Blackrock Silver. Part of Summa's most recently published resource includes the Murray Zone.



As the map above shows, the bulk of that part of the resource (as shown in the table below) is in the Indicated category. The mineralisation appears to downdip to the north.

MURRAY ZONE RESOURCE

	Tonnes	Cut-off AgEq g/t	Au g/t	Ag g/t	AgEq g/t	Contained Au ozs	Contained Ag ozs	Contained AgEq ozs
Indicated	576,000	190	1.61	193.6	339	30,000	3,583,000	6,278,000
Inferred	156,000	190	1.35	167.6	290	7,000	841,000	1,454,000

Current Plans

At the start of last December, Summa commenced a ~7,000-meter drill program at the Hughes project (a combination of RC pre-collars and diamond tails). The focus of this program is centered on the Ruby vein system, located ~1 mile along strike east of the Belmont Mine. High grade mineralization discovered in previous programs include:

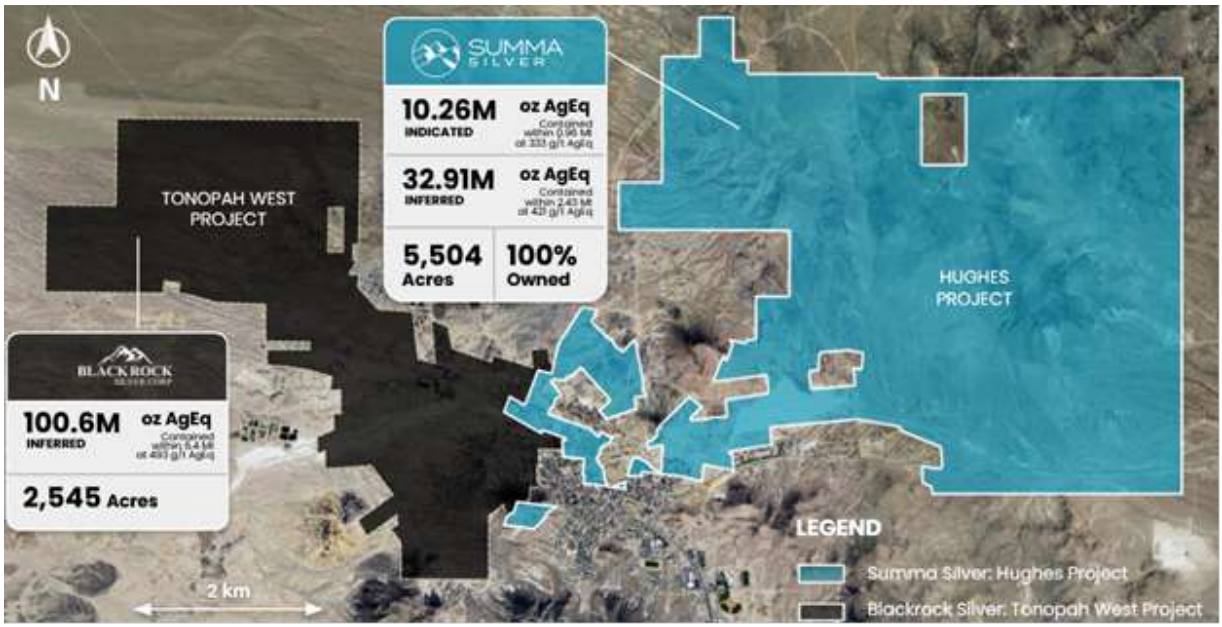
- 1,450 g/t silver equivalent (8.41 g/t Au, 813 g/t Ag) over 3.0 m in SUM23-59
- 430 g/t silver equivalent (2.47 g/t Au, 243 g/t Ag) over 2.0 m in SUM20-10
- 392 g/t silver equivalent (3.04 g/t Au, 147 g/t Ag) over 3.0 m in SUM23-60

Summa hopes to release the first set of results in early Q2 2025.

Blackrock Silver Corp. (TSX-v: BRC) – Fins in the Water?

This junior explorer/developer borders Summa´s Hughes project to the Western side (besides a small intervening gap). It has a current market cap of around CAD$115mn. Much as one would prefer Summa to be predator than prey, the outsized market cap and more advanced state of Blackrock makes it the party to keep an eye on in the evolution of Summa Silver.

Its flagship Tonopah West project consolidates the western half of the Tonopah Silver District.



The Resource

The PEA published in October of 2024 included an update on the prior MRE. The latest MRE is shown below:

Tonopah West Resource

Cut-off @ 190 g/t AgEq

	Tonnes	Ag g/t	Au g/t	AgEq g/t	Contained Ag ozs	Contained Au ozs	Contained AgEq ozs
Inferred	6,381,000	237.8	2.8	492.5	48,550,000	577,000	100,560,000

The report was prepared by Jeffrey Bickel, Senior Geologist at RESPEC Company LLC. Interestingly, he also authored the MRE for the Hughes project of Summa Silver.

The cutoff grade used was 190 g AgEq/tonne. That cutoff grade was calculated using a US$25/oz Ag price, costs of $82.6/tonne mining, $36.3/tonne processing, and $9.7/tonne G&A costs for a total cost of $128.6/tonne. The assumed metallurgical recovery for silver was 87% and for gold it was 95%.

The PEA

The preliminary economic assessment (PEA) for Tonopah West gave the project a post-tax net present value (at a 5% discount) of US$326mn, with capex of US$178mn (including a US$22mn contingency).

The PEA posited the project's post-tax internal rate of return at 39.2%, with a 2.3-year payback period. In calculating the economic outcomes, the consultants used a base gold price of US$1,900 per oz. and

silver price of US$23 per ounce. The outcomes would clearly be dramatically different if the current reigning prices for gold and silver were employed in the modelling.

Over an eight-year mine life, the project is expected to produce 31.8 million payable silver oz. and 424,000 gold ounces, with AISC (all-in sustaining costs) at $11.96 per silver equivalent oz.

Next Up

In July of 2024, the company started a 20,000-metre drill program using three rigs aiming to de-risk the initial three years of production and add more ounces to the project. The drill program aims to upgrade the Inferred Resources of around one million inferred tonnes of silver and gold to Measured and Indicated resources in the Bermuda and Merten vein systems.

On the Hunt?

If not aggressive in their corporate manoeuvres (yet), their utterances are exceedingly ambitious. When releasing their PEA in September of 2024 the company's CEO, Andrew Pollard claimed that the PEA "… outlines the potential for it to be a key driver of domestic growth, increasing America's annual silver production by over 12%". While the town of Tonopah is surrounded by Summa's blocks and makes a form of division between two mineralisations (though it does run under the town) there appears to be an over-arching logic to combining the Hughes project with the Tonopah West project. It will be interesting to see how this evolves particularly as Summa has upside with its MRE and thus with building in value to its project. This in turn would make a combination more attractive for Blackrock but also more expensive.

Closeology Comparative

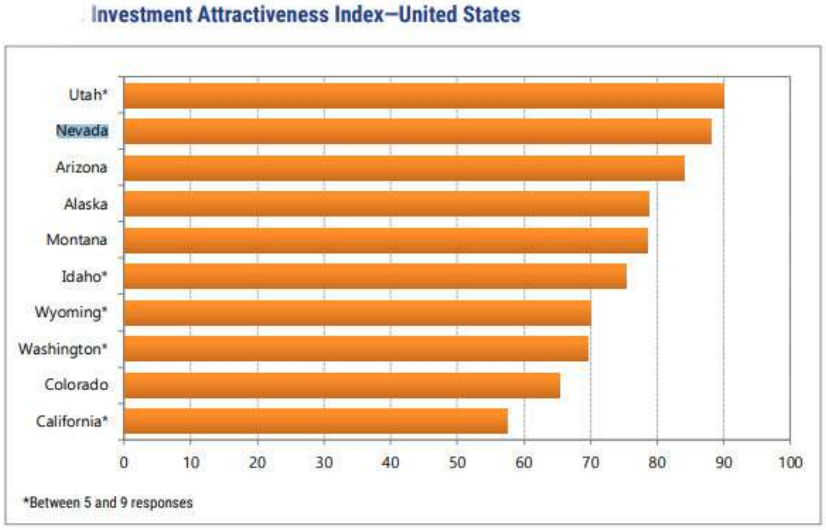
	Summa Silver		Blackrock Silver
Market Cap/Ounces	$0.55 per ounce		$1.10 per ounce
Project	**Hughes**	**Mogollon**	**Tonopah West**
Stage	MRE	MRE	PEA
Market Cap	$46.2mn		$110mn
Cut-off grade	190 g/t AgEq	175 g/t AgEq	190 g/t AgEq
M&I	10.3mn	-	-
Inferred	32.9mn	32.1mn	100.6mn
M&I grade	333 g/t AgEq	-	-
Inferred Grade	421 g/t AgEq	367 g/t AgEq	492 g/t AgEq
Shares Outstanding	121.6mn		315mn

Nevada as a Mining Jurisdiction

The continual high ranking of Nevada in the Fraser Institute surveys has reinforced to investors (particularly in North America) that things closer to home can be not only more convenient, but safer. So, during the period when the gold price languished (2012-19) investors preferred to focus their dollars on Canada and "friendly parts" of the US, with Nevada at the top of that list. US investors, in particular, have been most highly predisposed towards projects in that country, with Nevada way ahead of other states in investors' perceptions and affections.

The latest mining survey from the Fraser Institute (the independent, non-partisan Canadian policy thinktank) was that for 2023. The survey remains the most respected (though flawed) survey of the fluctuating fortunes of the world's mining jurisdictions.

In 2023, the top jurisdiction in the world for investment based on the Investment Attractiveness Index was Utah, followed by Nevada. Nevada had been the top jurisdiction in the preceding edition of the survey. Nevada has ranked consistently in the top 10 over the last 10 surveys.



The state ranked 5th in terms of Policy Perception. Survey respondents expressed decreasing concerns over Nevada's regulatory duplication (+22 points), uncertainty concerning environmental regulations (+19 points), and the uncertainty concerning what areas will be protected (+15 points).

Nevada continues to rank as one of the most attractive jurisdictions globally for mining investment. Policy factors driving this attractiveness include permitting systems that provide legal and regulatory stability. There is no corporate or personal income tax, no inventory tax, no franchise tax, no unitary tax, and no special intangible tax.

The Mogollon Project

This project is located 120 km from Silver City in southwestern New Mexico. It covers an extensive, silver-gold bearing epithermal vein field.

The Deal with Allegiant

Summa first entered into an arrangement to acquire Mogollon on 21st of August 2020 when it signed a two-phase option and joint venture agreement with Allegiant Gold (TSX-v: AUAU |OTCQX: AUXXF: OTCQX).

In late October of 2023, it was announced that Summa Silver had completed Phase Two of the option and joint venture agreement. This phase involved Summa issuing 8,912,884 common shares at a deemed price of $0.4579 per common share in order to satisfy the US$3,000,000 phase two option payment and, thereby completed the acquisition of 100% ownership of Mogollon. The shares issued to Allegiant had a statutory hold period of four months and one day from the date of issuance.

As a result of that payment, Allegiant held over 13.6mn shares of Summa. In total Allegiant received approximately US$6.2mn in cash proceeds and shares for the Mogollon disposal. Of these some three million were acquired by Sprott in mid-2024, with the rest being eked out into the market over the intervening months. This goes quite a way to explaining the pressure upon the stock price, as such a substantial position was steadily unwound onto the market.

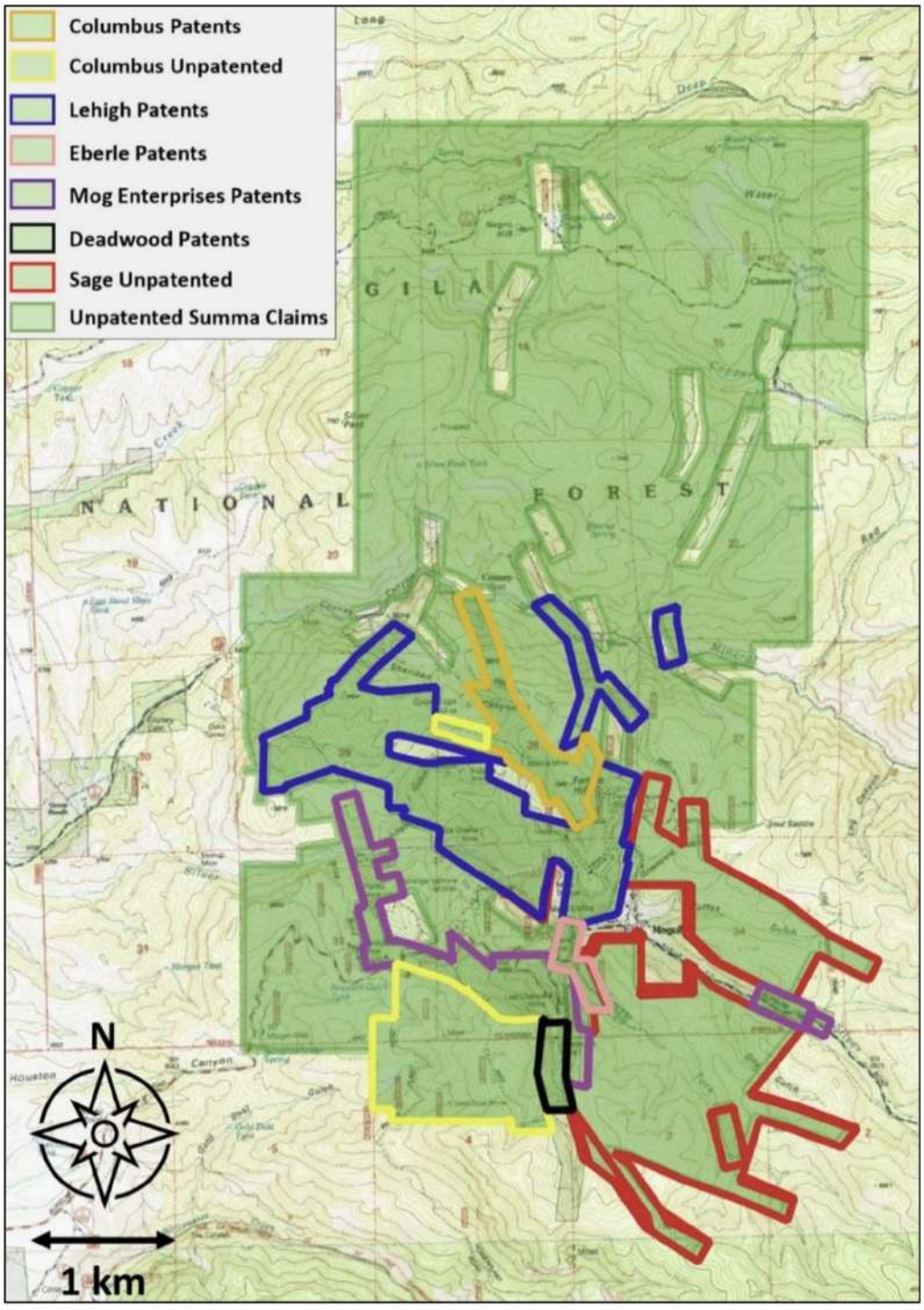
Summa & Mogollon

In the summer of 2022, Summa Silver staked additional mining claims contiguous to its existing land package to the north and west of the historic Consolidated Mine. The claims cover prospective extensions of several silver-gold mineralized quartz veins to the north of and contiguous with historically-mined veins. These claims show historic disturbance in the forms of prospect pits and trenches but have never been explored using modern exploration methods. This additional claim staking increased the overall project size from 2,382 acres to 3,886 acres (~65% expansion).

In the spring of 2023 Summa Silver staked a block of 200 unpatented mining claims on United States Forest Service lands. This contiguous block of mining claims was staked north of the existing Mogollon Project boundary and includes unexplored multi-kilometer extensions of the Queen Vein, Great Western Vein, and others. The company also purchased two patented mining claims covering the largely unexplored Deadwood Mine on Queen Vein, two kilometers south of the historic Consolidated Mine.

So, at the current time, the project consists of 85 patented mining claims and 403 unpatented mineral claims, covering approximately 7730 acres (3128 hectares) of land. The map of the totality of the claims is on the next page with the US Forestry Service land marked in light green.

In the fall of 2023, Summa completed all of the expenditure outlined in the aforementioned option agreement to acquire a 100% interest in the property from Allegiant Gold.



History

The claim block covers the major historic workings in the Mogollon Mining District, which has recorded

production of 327,000 ounces of gold and 15.7 million ounces of silver from 1.7 million tons of ore mined from 1879 to 1942. During its producing years, all of the recorded production came from epithermal vein systems, with larger mines reaching 1100 feet deep. Stopes averaged 8-12 feet wide, commonly only on the hangingwall or footwall of thicker portions of veins. Calculated historic production grades from the district are 0.18 ounce per ton gold and 9.2 ounces per ton silver.

Between 1904 and 1925 the district is reported to have produced 13.1mn ounces of Ag and 271,000 ounces of Au from 1.39mn tons of rock.

Historical mining was primarily from three mines: Fanney, Last Chance and Consolidated. World War Two brought an end to precious metals production and with gold's prices controlled and silver likewise hobbled, there was limited activity at Mogollon up until the 1980s.

Geology

The Mogollon property is underlain by a series of Tertiary-aged volcanic rocks, which can be grouped by age relative to the Bursum Caldera, a large explosive feature of the Mogollon-Datil' Volcanic Field, active from ~24-40 million years ago.

Pre-caldera rocks comprise a series of ash-fall and ash-flow tuffs with interbedded volcaniclastic sediments. Rocks associated with Caldera development consist of an ash-fall tuff emanating from the emptying of the caldera, overlain by andesite flows and rhyolite flows, dikes and domes. The andesite and rhyolite erupted from a resurgent dome, with intrusions and eruptions following radial-fracture and ring-fracture fault systems on the western margin of the Bursum Caldera.

Silver and gold-bearing, low-sulphidation, epithermal quartz-calcite veins were emplaced during the waning stages of resurgent dome volcanic activity, closely associated with rhyolite dikes. These veins followed pre-existing sets of normal faults created during formation of the Caldera, with a west-northwest trending set and a north-south trending set. Veins are dominantly quartz with lesser calcite and minor adularia, fluorite and barite, range from 2-30 feet wide, and can be traced for 1000s of feet along strike.

The veins show multiple episodes of vein deposition and brecciation recemented with quartz. The veins are locally mineralized with native gold, electrum and argentite, with mineralized shoots centered around cross-structures, and the bulk of productive veins occupying the footwall of rhyolite dikes.

The Mogollon project covers numerous, epithermal-related silver-gold targets dispersed across ~77 km of near-continuous and complex vein-systems. Many of these poorly-explored to completely unexplored veins are perceived to have strong potential for further mineralization immediately surrounding historically producing high-grade mines. There are also several undrilled veins with documented small-scale underground exploration workings that were driven above the main mineralized target elevation window. The depth projections of these veins represent strong conceptual drill targets.

Pre-Summa Exploration

Exploration activity revived at Mogollon in the mid-1970s, with Sage Associates acquiring leases on patented mine claims covering most of the major historically producing mines and staking a large block of claims to the east. Sage leased the property to St Joe American Minerals from 1975-1983, and Cordex Exploration from 1983-2010. These companies geologically mapped and sampled the surface and accessible underground mine workings and drilled a total of 64 core and reverse-circulation drill holes.

The drilling programs demonstrated a continuation of Au-Ag mineralization around the historic Consolidated Mine stopes and showed that the epithermal vein system and associated alteration and Au-Ag mineralization continues to the east of the major mine group, where it has been down-dropped across the Queen Fault, a major north-south structure. Historic drilling around the Consolidated Mine stope intercepted thicknesses and grades of Au-Ag mineralization that are potentially amenable to underground mining, such as MGR-35 with an intercept of 0.21 opt Au and 15.3 opt Ag across a true vein thickness of seven feet, and MGR-38, which cut 33 feet of true vein thickness running 0.13 opt Au and 6.4 opt Ag.

Exploration

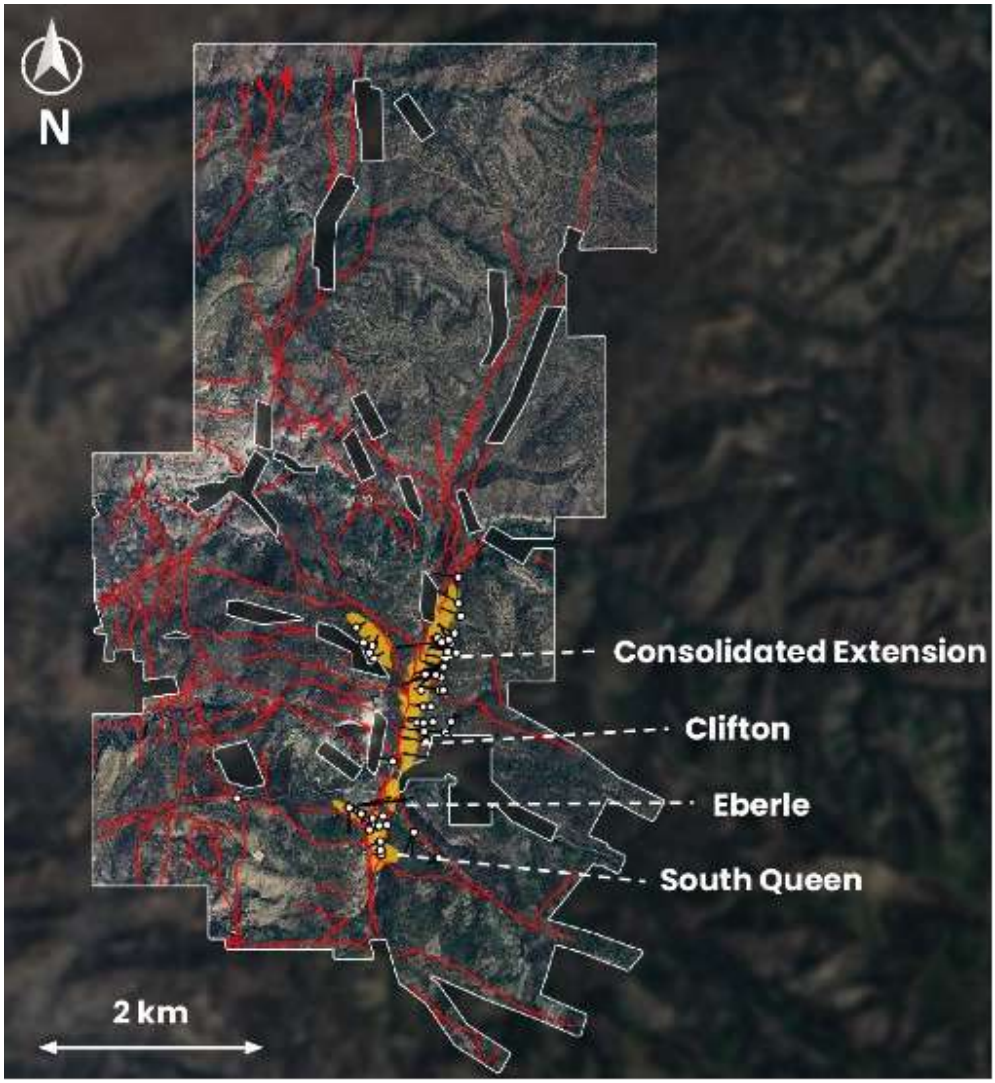
Summa Silver has completed three seasons of core drilling from 2021-2024, largely focusing on the Queen Vein. Drilling along the Queen Vein has focused on two primary target areas, the historical Consolidated Mine and the structural intersection of the N-S Queen Vein and the E-W Last Chance Vein.

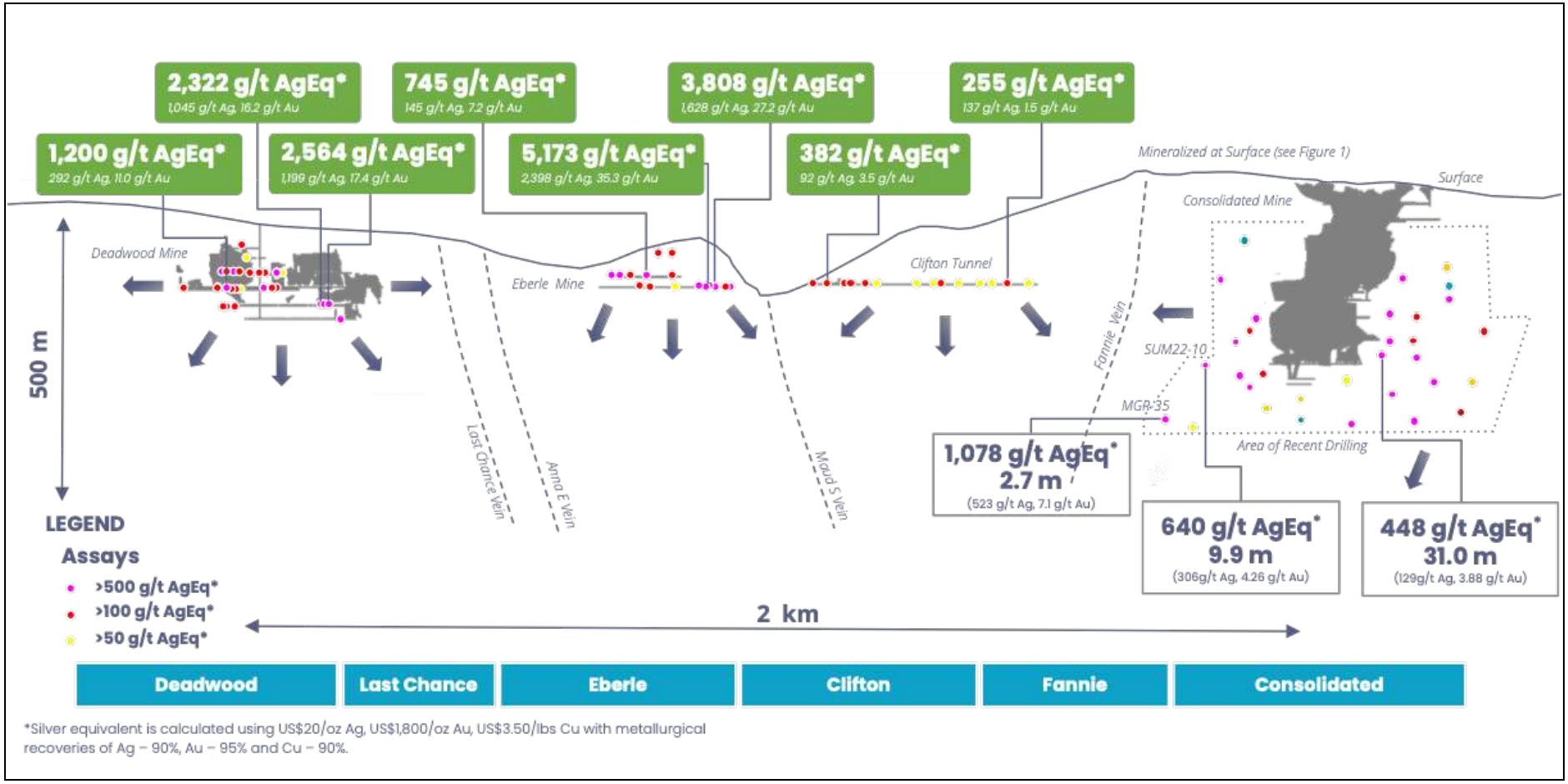
Twenty-two drill holes have been completed by Summa as of October of 2024, consisting of 9,033m total drilling, all core holes. Twenty holes have intersected zones of mineralization.

The two target areas, consisting of approximately 500m of strike length were tested at the Consolidated Mine, and approximately 275m of strike along the Queen Vein at the Last Chance/Queen intersection. Drilling by Summa across 500 m of strike length at the Consolidated Ext. target intersected broad zones of quartz-calcite breccias and stockworks with colloform banded veins. Drill highlights include 426 g/t AgEq over 31.5 m (123 g/t Ag, 3.70 g/t Au; MOG22-05).

As of October of 2024, approximately 1,500m of open strike length with historical production along the Queen Vein remains open for exploration drilling on land controlled by the company.

Drilling 1.4 km south of Consolidated Ext. near the historic Eberle mine intersected 393 g/t AgEq over 7.4m (64 g/t Ag, 3.92 g/t Au) including 2,735 g/t AgEq over 0.5m (320 g/t Ag, 28.6 g/t Au; MOG23-20). In total, 9,033m in 22 holes were drilled by the company with results suggesting that vein-hosted mineralization remains open in multiple directions at all targets.





*Silver equivalent is calculated using US$20/oz Ag, US$1,800/oz Au, US$3.50/lbs Cu with metallurgical recoveries of Ag – 90%, Au – 95% and Cu – 90%.

Mogollon - Maiden Mineral Resource

In mid-January of 2025, the company reported inaugural mineral resource estimates (MRE) for the Mogollon Project.

MOGOLLON RESOURCE

Category	Tonnes	Cut-off AgEq g/t	Au g/t	Ag g/t	AgEq g/t	Contained Au ozs	Contained Ag ozs	Contained AgEq ozs
Inferred	2,716,000	175	2.72	138.80	367.4	238,000	12,117,000	32,083,000

The AgEq grades were calculated using metal prices of $25/oz silver and $2,100/oz gold, and metal recoveries of 97% silver and 97% gold.

The mineralized zones at the Mogollon project also remain open to expansion where the MRE partially covers only 2.4 km of the 77 km of known vein and prospective structure present on the project, the vast majority of which is unexplored by modern methods.

Access

The property is very elevated at 6000-7500 ft asl on the western flank of the Mogollon Mountain Range.

The hamlet of Mogollon (around 30 residents) can be accessed by taking NM State Highway 159-Bursum Road east for nine miles off US Highway 180, immediately to the south of the small ranching town of Alma, NM. This road is steep and winding but is maintained by the State of New Mexico and is a two-lane road suitable for transport of equipment. Hwy 159 continues through the Mogollon Range to the east and connects with a network of state highways that come out of the Range in Winston, NM.

The property is accessible year-round, with the County and the State plowing the main roads of winter snowfall.

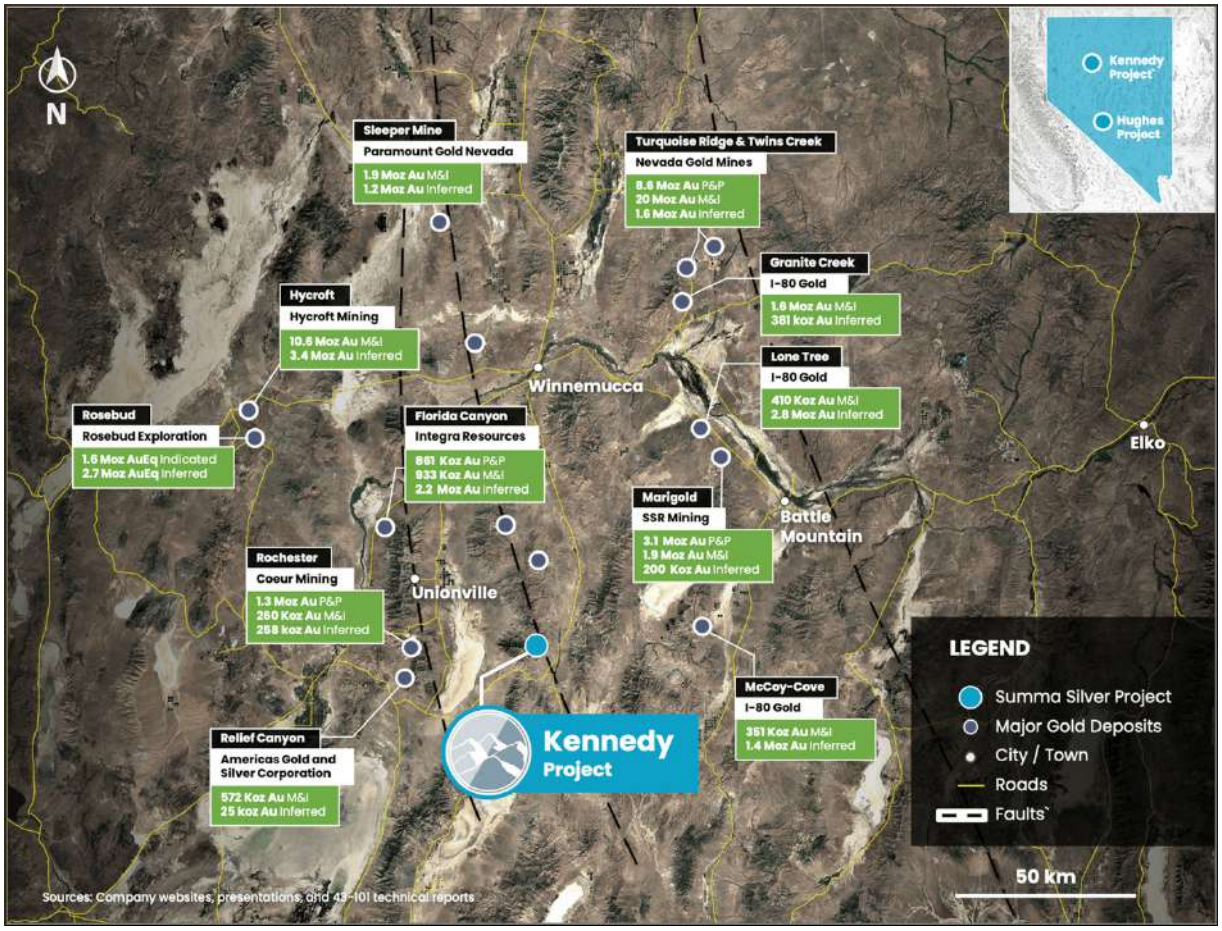
The Kennedy Project

In late February of 2025, the company announced the staking of what it has termed the Kennedy Project in Nevada. This consists of 99 unpatented mining claims located in Pershing County, approximately 75 km south of Winnemucca. There are no royalties on the project.

The Kennedy district consists of numerous high-grade, gold-silver bearing quartz veins where over 22 km of veins have been traced at surface. The project is situated on major aeromagnetic and gravity lineaments which are also spatially associated with the Sleeper gold deposit.

Most of historic mining in the Kennedy district was reportedly from the Gold Note mine which was

centered on a series of high-angle northwest striking veins traced for over 350 m along strike. Historic mining at Gold Note focused on near-surface (<40 m) oxide mineralization. Deeper secondary sulfide mineralization remains unmined. Mine grades were reportedly as high as 15.5 g/t Au with 311 g/t Ag.



Exploration Plans

Priority exploration targets at the project consist of high-grade sheeted veins as well as bulk tonnage disseminated and/or stock-work hosted gold-silver mineralization. Following the staking, a short prospecting and sampling program was completed and results are pending. Summa is now planning a multi-disciplinary exploration program consisting of geological mapping, soil geochemical sampling, and IP geophysics. Data from these programs will be used to prioritize targets for follow-up drill testing, in early 2026.

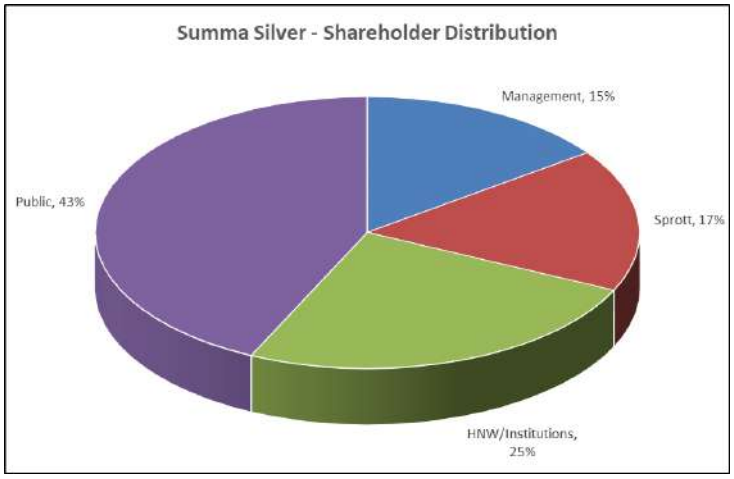
Financing & Shareholders

The company undertook its most recent financing in November of 2024 when it issued 16,207,500 units

at a price of CAD$0.40 per unit for aggregate gross proceeds of CAD$6,483,000, including a partial exercise of the agents' option. This had originally been announced as a CAD$5mn deal.

Each unit is comprised of one common share and one-half of one share purchase warrant with each whole warrant being exercisable into one common share at a price of CAD$0.55 until the 1st of November 2026.

The units issued consisted of some 12,500,000 Units (LIFE Units) and 3,707,500 Units (Accredited Investor Units). The latter were sold to accredited investors under the accredited investor exemption in all provinces of Canada, and other qualifying jurisdictions, including the United States. The LIFE Units offered were immediately free-trading.



The shareholder base could be described visually as per the pie chart on the right, with the Sprott interests representing the largest shareholder segment.

Directors & Management

Galen McNamara, CEO & executive director, co-founder and geologist with over 15 years of discovery and capital markets experience, former Senior Project Manager at NexGen Energy, Co-founder and Chairman of Goldshore Resources and Aero Energy. He is also a director of Sanu Gold Corp.

Thomas O'Neill, a non-executive director, is the President of Thomas O'Neill and Associates Inc, a national leader in insurance planning, group employee benefits and retirement planning, widely recognized expert in the life insurance and financial planning industry. He is also a founding member of the Executive Planning Group (EPG), a strategic alliance comprised of the top advisors across Canada.

Michael Konnert, director, is the founder, CEO and Director of Vizsla Silver Corp, co-founder and managing partner of Inventa Capital, a private natural resource investment company. He has over a decade of experience in the natural resources industry, specifically in executing corporate strategies for mineral exploration companies. He started his career with Pretium Resources Inc. (TSX-PVG) shortly after their $265mn IPO. Following that, he spent three years with Riverside Resources Inc. (TSXV-RRI).

Brian Goss, a non-executive director, has more than 15 years of extensive experience in mineral exploration and project management experience. He was the founder of Rangefront Geological, a leading geological consulting company project generator in the western United States. He is also a Director at Ridgestone Resources (TSX-V: RMI), a gold exploration company with assets in Mexico, as

well as a director at Lithium Corp. (OTCQB: LTUM) an exploration stage company specializing in energy storage minerals.

Martin Bajic, CFO and Director, Chartered Professional Accountant with extensive CFO experience at multiple Canadian listed companies, notably CFO of Eminent Gold Corp. (TSX-V: EMNT) and CFO of Great Eagle Gold Corp. (CSE – GEGC).

Giordy Belfiore, Corporate Development Manager, has a capital markets & finance background with experience working in junior precious metals companies while specializing in investor relations and corporate development.

Chris York, VP Exploration, Economic geologist with over 12 years' experience focused on sediment hosted and epithermal narrow vein deposits, former Exploration Manager for Klondex Gold and Silver running all field activities.

Christopher Leslie, Senior Geologist, Economic geologist with over 15 years of experience in mineral exploration focused on the discovery and advancement of gold and silver deposits, co-discoverer of the 8.2-million-ounce Blackwater Gold Deposit.

Risks

It is important to highlight some of the potential risks for an investment that one should consider:

- ✘ Silver price fluctuations
- ✘ NIMBY risk in New Mexico
- ✘ Financing challenges for junior explorers

The company's main vulnerability is the silver price and sentiment towards it. At least as long as the war in the Ukraine continues, we do not see much danger of the price of gold or silver retracing lower. Indeed, the longer it drags on the greater the chance of escalation in the conflict and thus the safe haven aspects of the precious metals will be reinforced. Beyond that we have the long-term underinvestment in new mines/capacity which has left silver with a scant pipeline of new sources of supply.

NIMBY risk in New Mexico is not to be taken likely. This is fundamentally an issue though that needs to be looked at on a county-by-county basis. Some parts of the State are mining friendly with a long trajectory. Other parts have green lobbies. We are advised that the Mogollon district is one of those areas disposed toward mining.

Financing challenges come with the territory in the mining space. This is particularly the case with exploration companies. With the sustained recovery in gold and silver prices the background environment for precious metals explorers has improved, though many in the Canadian mining scene

complained in 2024 of a difficult environment. We suspect that there is a dichotomy between those companies where investors perceive there is “meat on the bone” of the projects and those that are perceived to be merely insubstantial promoters. The fund raisings undertaken by Summa and the presence of Eric Sprott’s interests would indicate that Summa falls into the former category.

Investment Thesis

The consolidation of the Tonopah mining district clearly makes a lot of sense. Blackrock Silver would obviously favour a bargain, whereas Summa Silver is intent of maximizing value should any such transaction come to pass. However, to maximise the price of any transaction, Summa needs to build in value and thus increasing the resource of the Hughes project must be a priority. Likewise, while the creation of a PEA/Scoping Study on Hughes would seem extraneous if a merger scenario is being envisaged, at least Summa creating one would signify that the project has an existence separate from any combination. Similarly, a PEA in hand would build more value into the asset by providing an NPV, independent of the market capitalisation as a guide price.

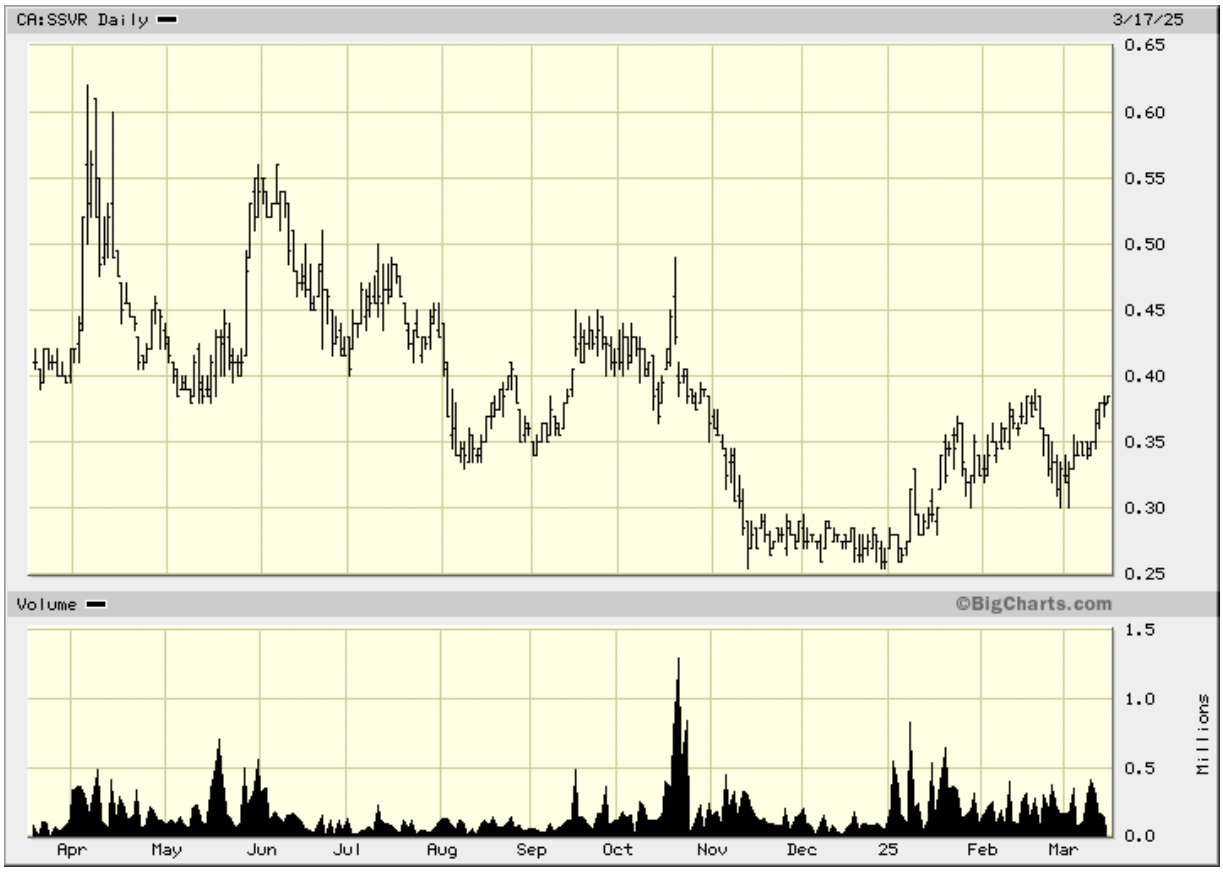
Mogollon has its own attractions and could be a further sweetener for a corporate transaction or the basis of a newco. The revival of substantial silver/gold mining in New Mexico is to be welcomed and encouraged.

It would seem that over the next twelve months further exploration should expand the size (and quality) of the MREs on both projects, while a firm to rising silver price illuminates a path to a higher valuation in the market.

Ratings & Target

Summa is trading at a significant discount to its peers with respect to their ounces in the ground. Most Summa’s peers trade between $1 and $2.40 per AgEq ounce in the ground, with Blackrock Silver achieving a $1.10 per ounce in the ground, as the most direct comparison. With ~78mn oz AgEq, Summa clearly has an opportunity to re-rate its valuation quite dramatically over the next 12 months.

Therefore, we are initiating Summa Silver with a **LONG** rating with a 12-month target price of CAD$0.84.


CA:SSVR Daily
3/17/25
0.65
0.60
0.55
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0.45
0.40
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Volume
©BigCharts.com
1.5
1.0
0.5
0.0
Millions
Apr
May
Jun
Jul
Aug
Sep
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Nov
Dec
25
Feb
Mar

APPENDIX I:

Silver – Back with a Vengeance

The Dynamics of Silver

The travails of silver (and its fan base) in the decade up to 2020 were nothing short of torture. After briefly nearing $50 per oz in April of 2011, the upside was snatched away and the metal spent ages wallowing in shallows and miseries.

That gold was lacklustre for so long was bad enough but that tarnished (pardon the pun) silver's price even more so, despite the reality of silver's resurgent industrial applications, and the ratio of silver to gold slid away to ridiculous levels. The ratio was rapidly heading towards 100:1, when the patently obvious value of silver returned to the fore and the metal turned around in a rather dramatic rally.

Precious metals roared back into focus in 2020 after coming back in from the cold over the last two years. It seemed to be that neither the two usual pillars of a gold turnaround, inflation or political insecurity powered the surge. No-one was complaining though that the rally lacked intellectual underpinning.

Few know that for a long, long time (indeed centuries) a ratio of 15 to one between the silver price and the gold price was regarded as fit and proper. It is seldom that the ratio got as out of whack as it did in early 2020, soaring to 128 to one.

Usages & Applications

The travails of silver in the wake of the demise of traditional photographic technologies is a well-rehearsed subject and created a scenario for a decade and a half with little relief in sight. However as inevitably happens (except maybe not in the case of Lead) the evolution of new technologies, in the form of the use of silver in photovoltaics (particularly for solar energy) brought relief, growth and dynamic path to some sunny uplands.

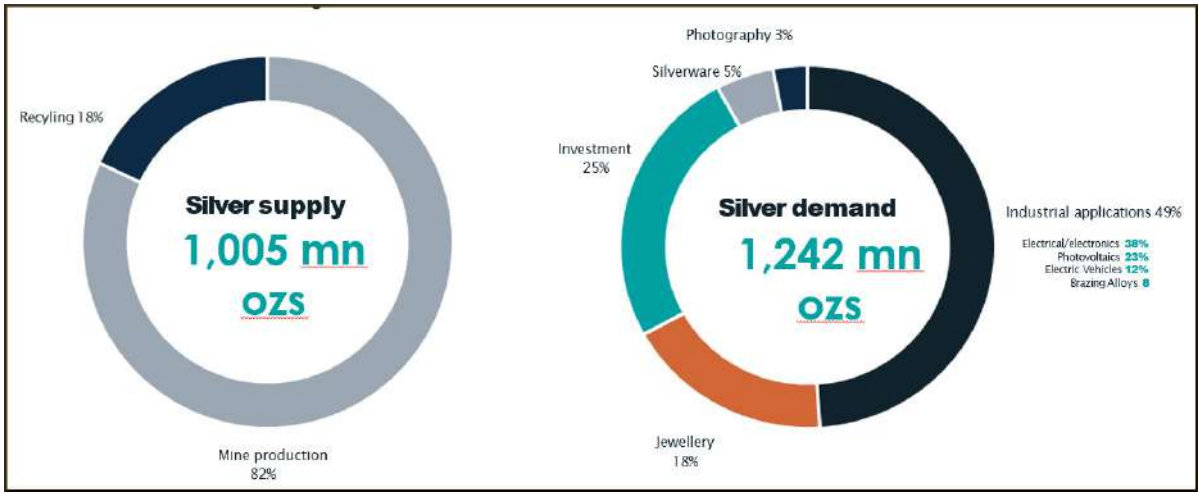
Indeed, few metals/minerals could match the recent growth in industrial demand that silver has been witnessing. In 2023, industrial silver demand rose by 11% to 654.4mn oz (20,353t), posting another record high. This was mainly due to the structural gains from Energy Transition applications, particularly in the photovoltaic sector.

The Silver Institute in its survey for 2024 also noted the importance of silver to the automotive industry.

This sector saw a rise in light vehicle output of 10%. However, they posited that end-use within the sector had the potential for yet faster gains due to rising vehicle sophistication. This includes features such as heated seats, front windshield defogging or heads-up displays, all of which need silver. Of particular help was the 42% rise in BEV output as these vehicles need much more silver than ICE equivalents.

The Energy Transition further benefited silver by the linked investment in power distribution for vehicle charging, solar panel installations and so forth.

In telecoms, end-use in 5G equipment also rose while newer areas such as wearable applications saw gains, although their contribution in weight terms remains modest at the moment.



Production

At the global level, as the pie chart on the left above shows, the vast bulk of silver demand is met by new mined material but as the chart on the right shows there is now a substantial mismatch (i.e. deficit) which is met by erosion of stockpiles and stores of silver.

In 2023, global mined silver production fell by 1% y/y, to 830.5mn oz (25,830t). This was attributed to weaker output in Mexico and the processing of lower grade ore at some mines in Argentina.

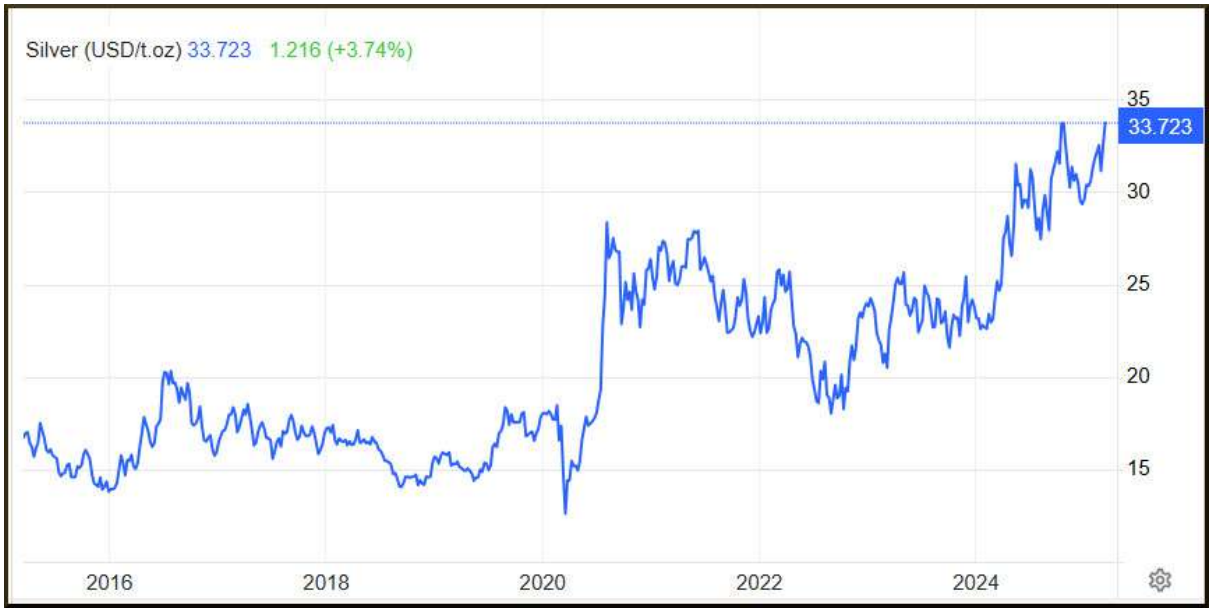
The USGS records silver was produced at four primary silver mines and as a by-product or co-product from 33 domestic base- and precious-metal operations.

In 2023, US silver production dropped by 3.5% YoY to 32mn oz (996t) following lower output from primary silver mines. There were however increases in silver production from primary silver operations, such as Americas Gold and Silver's Galena (+0.4mn oz, 14t) and Coeur's Rochester (+0.3mn oz, 10t).

The Latest Leg Upwards

Silver (and Gold) have been in strong form since just after the onset of the pandemic, when they were

initially sucked down with everything else but then broke free and headed up while many other metals wallowed.



The arrival of the Trump Administration 2.0 has muddied the waters of precious metals, as with much else. It is not clear if it augurs ill or well but uncertainty/instability is usually a friend to precious metals' prices and this most recent advent of a radically novel administration in the US has lit new fires under silver and gold prices even as there is some prospect of the Ukraine War reaching a denouement and the Middle Eastern conflicts moving into abeyance seems possible (but maybe not). Gold has been propelled above $3000 and silver has established itself fairly firmly about $30.

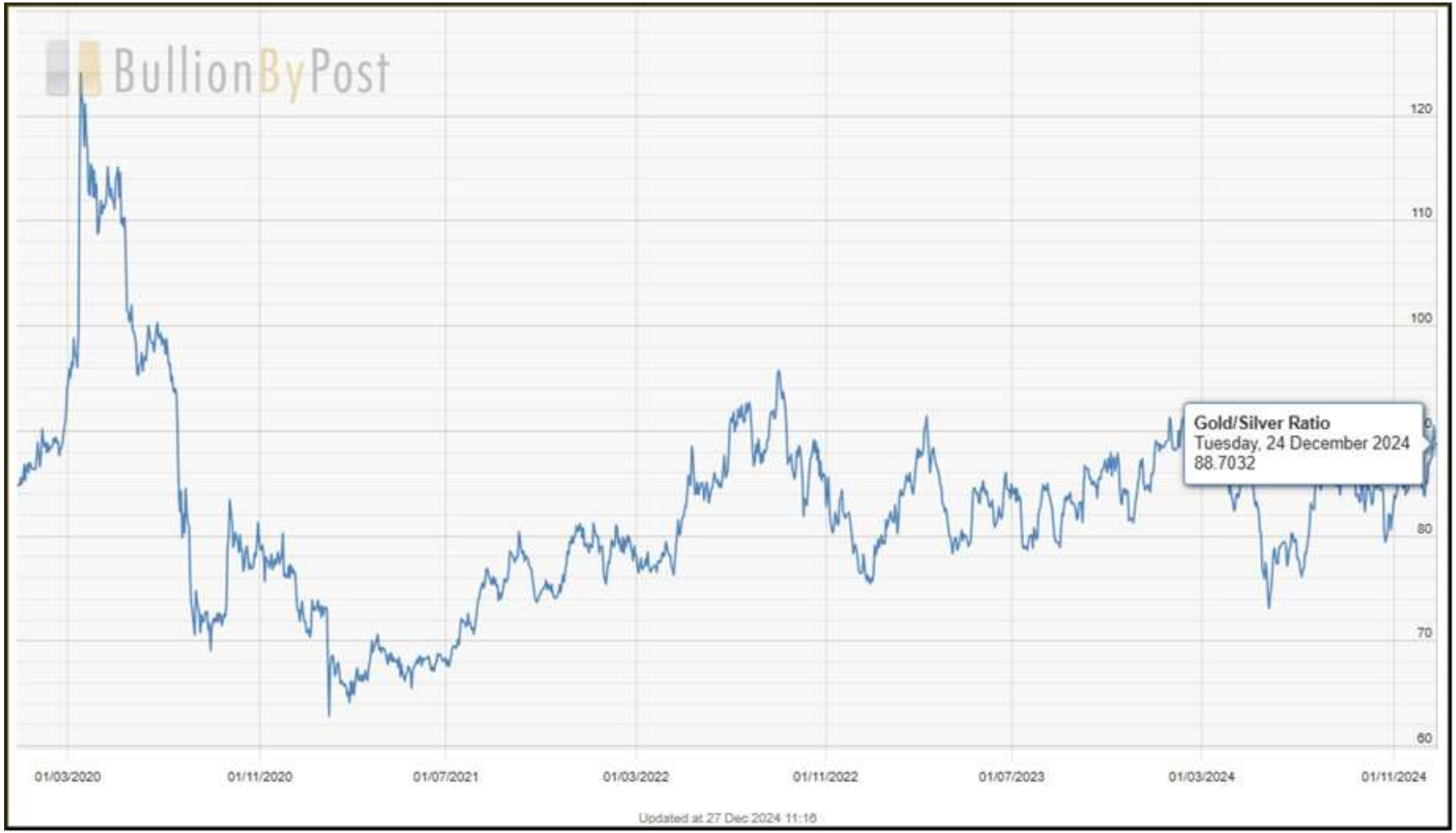
The Silver/Gold Ratio

This interesting ratio is shown on the following two pages with the first chart representing the last five years and the second chart representing the last fifty years.

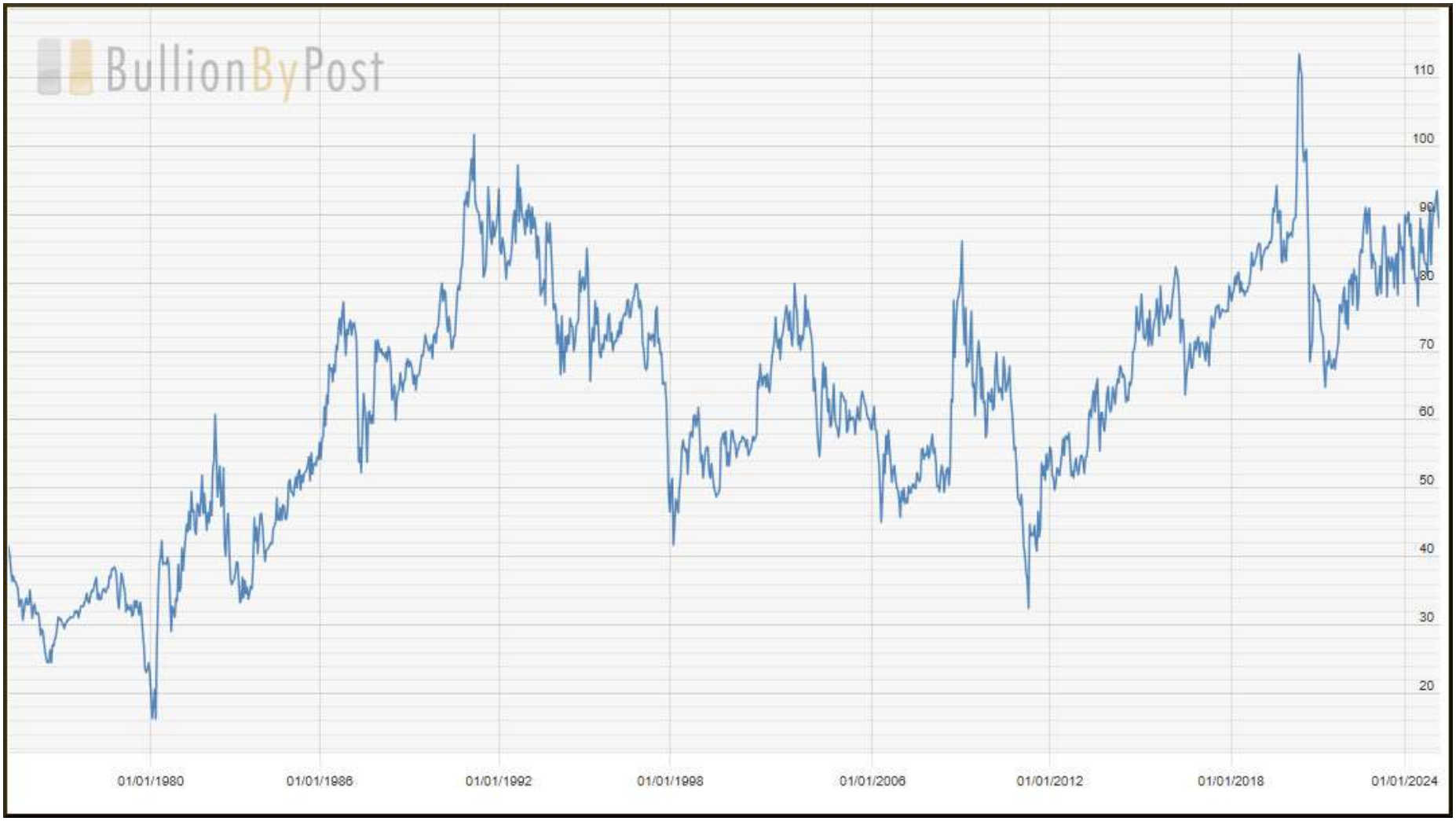
The ratio has been range-bound for the last three years between 75:1 and 95:1, trading much closer to the average of 85:1, almost religiously over that period.

The rip-roaring days of the pandemic years are now well behind us, when silver was first slapped down and then soared as investors grappled with ideas about what life would look like after that odious event. That event proved to be a reset though for both of the "most precious metals" resetting them into new trading bands.

Instead, the pandemic was replaced by the Ukraine war and more recently ethnic cleansing in the Middle East as the main drivers of tension. With the breakup of Syria being the next game in town and the potential for Israel/Egypt rancour, there will be nary a dull moment for precious metals.



Source: bullionbypost.com



Source: bullionbypost.com

Mined Silver Compared to Gold

The modern (or industrial) silver age can be dated back to the expansion of silver mining in the southwest US, particularly in areas gained from Mexican control. This era saw silver mining surge with the discovery of the Comstock Lode in Nevada in 1859. This expansion emplaced a higher silver-to-gold mined ratio, possibly back toward 1:15 or 1:20. Geological surveys estimate that, globally, silver production outpaced gold by about 8:1 to 10:1 annually by the late 1800s, reflecting both abundance and demand for silver in coinage and industry. It was also this development that fired the furious debates over bimetallism in US politics.

It is useful to note that China was primarily a silver-based monetary system until the Revolution of 1949. Russia had been primarily a silver currency zone until just before 1900.

In the 20th century, new technologies (e.g., photography, electronics) gave impulse to silver's industrial use in turn expanded mining. Meanwhile gold's role shifted toward monetary reserves and jewelry. Then gold's value was frozen by U.S. President Franklin D. Roosevelt signed Executive Order 6102, which he signed on April 5, 1933, "forbidding the Hoarding of Gold Coin, Gold Bullion, and Gold Certificates within the continental United States" and this remained in place until the Nixon Administration.

Silver was not exempt as, on August 9, 1934, implemented the seizure of all silver situated in the continental United States with Executive Order 6814 - Requiring the Delivery of All Silver to the United States for Coinage. While this closely mirrored Executive Order 6102, it did include some key differences. One important difference was that EO 6814 excluded the seizure of all silver coins, whether foreign or domestic.

By mid-century, the mined ratio stabilized around 1:8 to 1:10, according to U.S. Geological Survey (USGS) data. For instance, in 2011, USGS reported silver reserves at 10 times gold's and annual production at nine times gold's, aligning with a 1:9 ratio. This consistency persists today, with 2020s estimates holding at roughly 1:8 to 1:9, though silver's above-ground supply dwindles due to industrial consumption (over 50% of demand), unlike gold, where nearly all mined metal (about 244,000 metric tons historically) remains in vaults or jewelry.

The mined Au:Ag ratio has thus evolved from peaks of ~1:20 (or higher) during period of high silver production, settling at 1:8 to 1:10 in modern times.

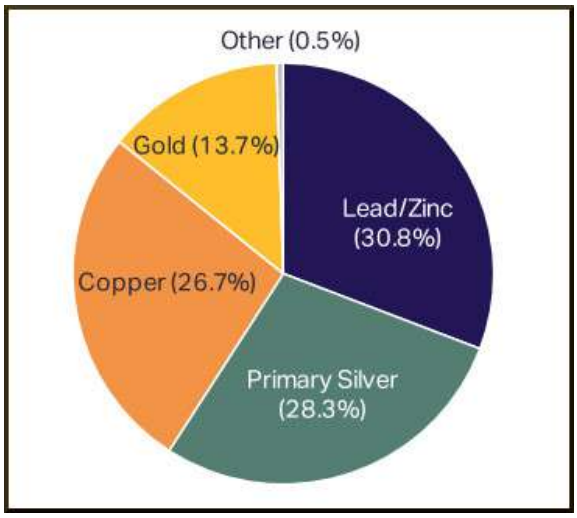
The drivers for this reflect geological realities i.e. silver's greater crustal abundance and human factors like mining technology and economic priorities. Unlike the price ratio, which has swung wildly (e.g., 15:1 historically to 90:1 today), the mined ratio represents a better picture on physical supply, rather than just mood or the gravitational pull of gold's moves.

The By-Product Driver

Or maybe we should say, the brake. As is well known, a large proportion of silver production is as a by-product of other metals. According to the Silver Institute, 71.7% of annual silver mine supply was

produced as a by-product in 2023. The polymetallic ore deposits from which silver was recovered account for more than two-thirds of U.S. and world resources of silver.

Their pie chart on the right shows the dependency upon other metals for silver to be produced.



While the share of silver produced from gold mines declined YoY, from 15.5% to 13.7%, the contribution from copper and lead/zinc operations rose, from 25.5% to 26.7% and from 30.3% to 30.8% respectively. The share of production from primary silver mines was unchanged year-on-year, accounting for 28.3% of mine output in 2023.

Most recent silver discoveries have been associated with gold occurrences. However, in the opinion of the USGS, copper and lead-zinc occurrences that contain by-product silver will continue to account for a significant share of reserves and resources in the future.

We should also note the symbiotic relationship between Silver and the Zinc/Lead complex. Mining of these two base metals remained the largest source of silver mine supply in 2023, producing 255.8mn oz (7,957 t).

Much of silver's production is driven by the price and demand dynamics of the base metal duo with which it often occurs. Strong(ish) Zinc prices (as at the current time) drive higher production (where possible) irrespective of where silver demand might be. Indeed, low Zinc prices for a long while (frankly most of last decade) caused Zinc producers to sustain production to continue to stay (marginally in profit) and this had the effect of dumping more silver on the market than was otherwise called for.

As we have noted before, elsewhere, we hold a gloomy view of long-term Lead demand due to the rise (whether it be slow or rapid) of the EV. This puts a lid on Lead's upside and ultimately (due to the high recycling ratio of Lead from batteries (the best rate of any metal). There is a tipping point, which may soon be reached, in which little new Lead will be required, thus casting a shadow over those Lead/Zinc mines where Lead is in the preponderance. The ten-year Lead price (shown below) has essentially gone nowhere.

Thus, the silver content of those Lead mines, moving into a moribund status, will also be impacted negatively. Lead's decline should be a driver for an even tighter silver supply situation.

Conclusion

Silver bulls can enumerate a myriad of reasons to favour silver but for us it is better and more comforting to focus on the main drivers and avoid the minutiae. Lightly falling production is a scenario where there was already a massive supply/demand gap (bordering on a chasm) is a major plus. While companies like Summa Silver, potentially add (collectively) to future production, some past production is going away, with the auguries for by-product sourcing from Lead mining being particularly inauspicious. Very few silver mines are being "turned on" in sufficient quantity to plug the supply gap.

The industrial demand situation is looking excellent and mainly applications are resistant to thrifting as prices move higher.

Finally while Silver appears to be coat-tailing on gold, in an age of global tensions, there would appear to be potential for silver to be substantially more resistant to downdrafts in gold and that would feed through to improvements in the gold /silver ratio in silver's favour.

Important disclosures

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